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HB 64 Amendments to Local Option Sales Tax

Utah Code §§59-12-703, 59-12-1401, 59-12-1402 **Effective Date May 3, 2004**

Effective July 1, 2004, this bill extends to cities and towns in second class counties (population of 125,000 or more, but less than 700,000) the authority to impose a sales tax of .1% for funding recreational and zoological facilities and botanical, cultural, and zoological organizations; extends from five to eight years the period for which a municipality-imposed sales tax may be levied; requires each election for voter approval of the sales tax to take place at a regular general election or municipal general election; after a city has imposed the tax, a county may impose a county tax on all areas within the county except the city that has imposed the tax.

HB 74 Extension of Sales and Use Tax Exemption for Steel Industry

Utah Code §59-12-104 **Effective Date July 1, 2004**

Extends the sales and use tax exemption for sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of certain steel mills from June 30, 2004 to June 30, 2014.

HB 125 County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Amendments

Utah Code §59-12-702 **Effective Date July 1, 2004**

Expands the definition of “recreational facility” to include a “cultural facility.” A recreational facility

means any publicly owned or operated park, campground, marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system, cultural facility, or other facility used for recreational purposes. A cultural facility is any publicly owned or operated museum, theater, art center, music hall, or other cultural or arts facility.

HB 157 Transportation Amendments

Utah Code §§17A-2-1038, 17A-2-1039, 59-12-501, 72-1-303 **Effective Date July 1, 2004**

This bill pertains to the administration of the public transit district board. Utah Code § 59-12-501 was changed to provide that a county, city, or town may impose a public transit tax of up to $\frac{1}{4}$ of 1% rather than $\frac{1}{4}$ of 1%.

HB 273 Tax and Charge Amendments

Utah Code §§10-1-304, 10-1-307, 10-1-403, 10-1-405, 10-1-407, 10-1-408, 17-31-8, 59-1-302, 59-1-401, 59-12-102, 59-12-103, 59-12-103.2, 59-12-104, 59-12-105, 59-12-107, 59-12-107.1, 59-12-107.2, 59-12-108, 59-12-110, 59-12-110.1, 59-12-205, 59-12-207.1, 59-12-207.3, 59-12-207.5, 59-12-208.1, 59-12-301, 59-12-302, 59-12-352 to 59-12-356, 59-12-402 to 59-12-404, 59-12-501, 59-12-502, 59-12-504, 59-12-505, 59-12-603, 59-12-604, 59-12-703, 59-12-706, 59-12-802, 59-12-804, 59-12-806, 59-12-807, 59-12-1001 to 59-12-1003, 59-12-1102, 59-12-1103, 59-12-1201, 59-12-1302, 59-12-1303, 59-12-1402, 59-12-1404, 59-12-1503, 69-2-5, 59-12-107.4, 59-12-107.5, 59-12-122, 59-12-303, 59-12-1504, and repeals 59-12-351 **Effective Date July 1, 2004**

1. Extends the amount of time that a municipality must notify the Tax Commission of enacting, repealing, or changing a tax rate from 75 days to 90 days.
2. Amends the definition of durable medical equipment to include the requirement for home use only.
3. Adds and amends definitions including adding a new term "load and leave" which means delivery to a purchaser by use of a tangible storage media if the media is not physically transferred to the purchaser.
4. Changes distribution of sales tax revenue.
5. Extends the sales tax exemption for drugs, syringes, and stoma supplies to include not only sales by prescription, but sales to a hospital or other medical facility if intended for human use.
6. Requires a seller that files a simplified electronic return to file an information report with the Tax Commission for each store location within this state, for each non-fixed place of business, or for inventory shipped from a location out of state. The report is required to contain the total amount of sales, the total exempt sales, and the difference between the two. If a seller fails to report the amounts, the bill provides for a \$1,000 penalty.
7. Details filing requirements for sellers registered under the agreement.
8. Changes the vendor discount to a seller discount of 1.31 percent for the collection of taxes

on a monthly basis that are reported and paid timely on a sales and use tax return or an agreement sales and use tax return.

9. Addresses sellers and certified service providers reliance on Tax Commission information or certain systems.

SB 13 Resort Communities Tax Amendments

Utah Code §§59-12-401, 59-12-402, 59-12-405 **Effective Date May 3, 2004**

This bill defines the capacity of high-occupancy lodging, recreational unit lodging, special lodging unit lodging, and standard lodging; requires a municipality to file with the Tax Commission a form containing information regarding lodging capacity within the incorporated boundaries of the municipality at the time the resort community tax is originally imposed, and thereafter on or before September 1 annually.

The Tax Commission is required to provide written notice to a municipality if the municipality has a transient room capacity that is less than 66% of the municipality's permanent census population. When the municipality receives such a written notice from the Tax Commission for 2 consecutive years the municipality may not impose a resort communities tax.

SB 19 Sales and Use Taxes – Exemption for Energy Related Equipment and Machinery

Utah Code §§59-12-102, 59-12-104 **Effective Date July 1, 2004**

Leases or purchases of certain machinery or equipment for the following facilities are exempt if used to create or expand the operations of the following:

1. renewable energy production facilities (biomass, hydroelectric, geothermal, solar, or wind);
2. waste energy production facilities (waste material that would be placed in a landfill or refuse pit if not used to generate electricity, such as tires, waste coal or oil shale), and
3. facilities that produce fuel from biomass energy (material from a plant or tree, or other organic matter, such as slash-and-burn from forests, animal waste, methane, aquatic plants, and agricultural products).

SB 65 County Classification Amendments

Utah Code §17-50-501 **Effective Date May 3, 2004**

This bill changes the ranges of population that define counties of the third through sixth class. Populations of:

- 31,000 or more but less than 125,000 = third class county
- 11,000 or more but less than 31,000 = fourth class county
- 4,000 or more but less than 11,000 = fifth class county
- less than 4,000 = sixth class county

SB 124 Prohibition on Sales and use Tax Incentive Payments by a County or Municipality

Utah Code §§11-41-101, 11-41-102, 11-41-103 **Effective Date July 1, 2004**

This bill prohibits a county or municipality from making a sales and use tax incentive payment under an agreement entered into on or after July 1, 2004.

SB 146 Olympic Law Revisions and Cleanup

Utah Code §§10-3-1219, 49-13-203, 53-1-104, 53-13-106, 53-13-107, 58-1-307, 59-1-403, 59-12-102, 59-12-103, 59-12-104, 59-12-105, 59-12-301, 59-12-352, 59-12-353, 59-12-603, 59-12-1201, 63-55b-163, 67-22-2, and repeals 63-56-35.9

Effective Date July 1, 2004

This bill modifies multiple titles in the code to remove provisions that relate to the 2002 Winter Olympic Games that are no longer relevant to the code.

SB 190 Sales and Use Tax Exemption Relating to Film, Television, and Video

Utah Code §§59-12-102, 59-12-104 **Effective Date July 1, 2004**

Provides an exemption for purchases, leases, or rentals of machinery or equipment by a motion picture or video production company classified with NAICS Codes 512110 or 51219 that is primarily used in the production or postproduction of the following media for commercial distribution:

- motion pictures,
- television programs,

- movies made for television,
- music videos,
- commercials,
- documentaries, or
- media similar to those listed above as determined by administrative rule.

Purchases, leases, and rentals of machinery and equipment primarily used in the production or postproduction of the following media remain subject to tax:

- live musical performances,
- live news programs, or
- live sporting events.

SB 3001 Taxes, Fees, or Charges Amendments

Utah Code §§59-12-103, 59-12-103.2, 59-12-121, 59-12-204, 59-12-205, 59-12-207, 63-55-259, 59-1-1201 **Effective Date July 1, 2004**

1. Delays the application of sales tax at the point of delivery which includes the chart for General Sourcing Rules found in the SST Booklet.

2. Delays the implementation of the following new or revised definitions that were part of SST legislation until July 1, 2005:

- bad debt,
- drug,
- durable medical equipment,
- lease,
- mobility enhancing equipment,
- prosthetic device,
- purchase price or sales price, and
- rental.

- Reinstates the following definitions that were removed or replaced by the definitions above until June 30, 2005:

- bad debt,
- home medical equipment and supplies,
- medicine, and
- purchase price.

- By delaying the definition of purchase or sales price:
 - delivery or transportation charges will remain exempt if shipment takes place by common carrier; title passes before transportation (F.O.B. origin or shipping point); charges are the actual cost of shipping these particular goods by common carrier; and the transportation charges are listed separately on the invoice;
 - preparation documents by a motor vehicle dealer will remain exempt if separately stated;
 - all towing services, whether or not in conjunction with the sale of tangible personal property will remain exempt; and
 - installation charges for connecting tangible personal property to real property will remain exempt if the charges are separately stated on an invoice.
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- Delays the requirements that a seller who files a simplified electronic return (SER) must do so electronically and the penalties imposed for failing to report certain exemptions until June 30, 2005.
 - (5)
 - Delays implementation of direct payment permits, direct mail, and the multiple points of use exemption certificate until July 1, 2005.
 - Reinstates the provision that out-of-state businesses (without nexus or a presence in Utah) who volunteer to collect Utah sales and use tax may continue to charge tax at the lowest Utah rate of 5.75% until June 30, 2004.
 - Delays the provisions of amnesty for sellers who register under the agreement until July 1, 2005.
 - Affects local tax ordinance provisions, proportionate shares, and distribution.
 - Unrepeals 59-12-207, but deletes the language that pertains to sourcing by the nine-digit zip code.